

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6026

BILL NUMBER: SB 10

NOTE PREPARED: Feb 18, 2008

BILL AMENDED: Feb 14, 2008

SUBJECT: Inmate Fraud.

FIRST AUTHOR: Sen. Steele

FIRST SPONSOR: Rep. L Lawson

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It permits the Department of Correction (DOC) to freeze all or a portion of an inmate's account while investigating whether the inmate has committed inmate fraud or while a criminal case involving inmate fraud is pending against the inmate.
- B. It requires the Department to return money in the inmate's account to the rightful owner if the inmate is convicted, and specifies that the money will be deposited in the Violent Crime Victims Compensation Fund if the rightful owner cannot be located.
- C. It makes it inmate fraud, a Class C felony, for an inmate to, with the intent of obtaining money or other property from a person who is not an inmate, knowingly or intentionally: (1) make a misrepresentation to a person who is not an inmate and obtain or attempt to obtain money or other property from the person who is not an inmate; or (2) obtain or attempt to obtain money or other property from the person who is not an inmate through a misrepresentation made by another person.
- D. It authorizes the disclosure of certain information to a person who is or may be the victim of inmate fraud.

Effective Date: July 1, 2008.

Explanation of State Expenditures: A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. Since this new crime applies exclusively to persons who are confined to a prison, jail, or juvenile facility, this bill would extend the offender's length of stay in prison.

Assuming offenders can be continued to be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in DOC facilities for all Class C felony offenders is approximately two years.

Explanation of State Revenues: *Seizing Illegally Obtained Funds* – Under current law, DOC can only seize any illegally obtained funds that are in prisoners' accounts through criminal prosecution. As proposed, DOC would be able to take administrative measures to seize any monies.

If DOC discovers the identity of the person from whom the offender illegally obtained the money, DOC will return the money to the victim. If the person cannot be found, DOC will deposit the money in the Violent Crime Victims Compensation Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Tim Brown, Department of Correction.

Fiscal Analyst: Mark Goodpaster, 317-232-9852.